



June 20, 2005

Mary L. Cottrell
Secretary of the Department
Department of Telecommunications and Energy
One South Station – 2nd Floor
Boston, MA 02110

**Re: Topics for Technical Sessions
Service Quality Standards; D.T.E. 04-116**

Dear Ms. Cottrell:

I write to request that the Department include “market access services” among the topics for the upcoming technical sessions in Service Quality Standards, D.T.E. 04-116.

As Constellation New Energy (“Constellation”) explained in its initial comments in this proceeding, “market access services” are services that distribution companies provide **to customers** to enable them to access the competitive market. These services include providing usage data, processing enrollment requests, and providing billing-related services for competitively served accounts. These important **customer services** are appropriate for service quality guidelines and are certainly appropriate for inclusion among the topics for the technical sessions.

1. The Department has the Authority to Adopt Service Quality Guidelines for Market Access Services.

The Department has the authority under G.L. c. 164 to adopt service quality guidelines for market access services. Chapter 164 directs the Department to establish service quality guidelines and provides a non-exclusive list of topics the guidelines should cover, leaving the Department free to adopt guidelines for other distribution company services, such as market access services.

Section 1F(7) of Chapter 164 of the General Laws provides that:

[t]he department is authorized and directed to promulgate rules and regulations to establish service quality standards for each distribution, transmission, and gas company, **including, but not limited to**, standards for universal service, customer satisfaction, service outages, telephone service, billing service, and public and employee safety.

G.L. c. 164, §1F(7) (emphasis added).

Section 1E of Chapter 164 also provides a non-exclusive list of topics for service quality guidelines. That section authorizes the Department to establish performance based rates and provides that, in establishing such rates,

the department shall establish service quality standards for each distribution, transmission, and gas company, **including, but not limited to**, standards for customer satisfaction, service outages, distribution facility upgrades, repairs and maintenance, telephone service, billing service, and public safety provided, however, that such service quality standards shall include benchmarks for employee staff levels and employee training programs for each such distribution, transmission, and gas company.

G.L. c. 164, §1E(a) (emphasis added).

The Department has used its discretion to adopt service quality guidelines for items that are not included in the non-exclusive lists of sections 1F(7) and 1E(a). For example, line losses are not listed in either section 1F(7) or section 1E(a). However, the existing service quality guidelines cover line losses (Service Quality Guidelines, VIII.A) and the Department has indicated its intention to make line losses a topic for the technical conferences in this proceeding. The Department should similarly use its discretion with regard to market access services.

2. Market Access Services are Services that Distribution Companies Provide to Customers.

Like the other areas of service covered by the service quality guidelines, market access services are services that utilities provide **to customers**. A competitive supplier is often involved in the chain, but ultimately the service is provided to the customer and it is the customer that is harmed when the service is substandard.

Interval data. Market access services include the provision of interval data to customers. Customers use this data to solicit and evaluate offers from competitive suppliers. For many customers, obtaining their interval data from the distribution company is the first step towards the competitive market. When this data is delivered late or is incomplete, the customer is harmed.

Enrollment requests. Market access services also include processing of requests to enroll customers with competitive suppliers. In order for an enrollment to be effective, it must be processed at least two business days prior to the customer's meter read date. Otherwise, the switch is delayed to the next month. If an enrollment request is not processed on a timely basis, the customer's switch to the competitive supplier can be delayed, causing the customer to lose savings. For large customers, the cost can be very substantial, in the thousands of dollars.

Usage data for billing. Market access services also include provision of customer usage data for supplier billing. When that data is provided late, the bill is delayed and the customer is inconvenienced. When the data is adjusted after-the-fact, the customer receives a second bill modifying the first bill, and again the customer is inconvenienced. It is true that the data is provided by the distribution company to the competitive supplier rather than directly to the customer. However, the data is part of a service to the customer and the customer is harmed when the data is provided late or changed after-the-fact.

3. Market Access Services are Appropriate for Service Quality Guidelines because Distribution Companies have No Other Incentive to Provide Quality Service.

Market access services are appropriate for service quality guidelines because distribution companies have no other incentive to provide quality service in this area. Distribution companies have no financial incentive to assist their customers to access the competitive market. They receive no reward when they do it well and no penalty when they do it badly.

Given the absence of a reason to perform well, the natural incentive is to cut service and thus costs. This is exactly the situation that service quality standards are designed to address. As the Department has explained, the purpose of service quality guidelines is to ensure that the distribution company maintains a high level of service and does not “act on its incentive to cut costs to the detriment of service quality.” Service Quality Standards, D.T.E. 99-84 at 45 (2000).

4. Market Access Services are a Particularly Appropriate Topic for Technical Sessions.

Constellation recognizes that market access services would be a new area for service quality guidelines. While Constellation has specific recommendations, we believe that there would be enormous benefit from the back and forth discussion among all interested parties that is possible in a technical session. Indeed, it is precisely because our suggestions are novel that discussion in a technical session is particularly appropriate.

Moreover, even if the Department is not yet convinced that market access services are an appropriate area for service quality *penalties*, a technical session would be an ideal forum to develop *benchmarks* for market access services, so that service quality in this area could at least be tracked going forward.

Accordingly, Constellation urges the Department to include market access services among the topics for the upcoming technical sessions.

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Thank you for your assistance.

Respectfully submitted,

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